

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

MATTHEW KATZ,

Plaintiff,

v.

DAVID OLAN, et al.

Defendants.

Case No. 2:23-cv-03004-FLA (SKx)

**ORDER TO SHOW CAUSE WHY
THE ACTION SHOULD NOT BE
DISMISSED FOR LACK OF
SUBJECT MATTER JURISDICTION**

1 Federal courts are courts of “limited jurisdiction,” possessing only “power
 2 authorized by the Constitution and statute[.]” *Kokkonen v. Guardian Life Ins. Co. of*
 3 *Am.*, 511 U.S. 375, 377 (1994); U.S. Const. art. III, § 2, cl. 1. Courts are presumed to
 4 lack jurisdiction unless the contrary appears affirmatively from the record. *See*
 5 *DaimlerChrysler Corp. v. Cuno*, 547 U.S. 332, 342 n. 3 (2006). Additionally, federal
 6 courts have an obligation to examine jurisdiction *sua sponte* before proceeding to the
 7 merits of a case. *See Ruhrgas AG v. Marathon Oil Co.*, 526 U.S. 574, 583 (1999).

8 Federal courts have jurisdiction where an action arises under federal law or
 9 where each plaintiff’s citizenship is diverse from each defendant’s citizenship and the
 10 amount in controversy exceeds \$75,000, exclusive of interest and costs. 28 U.S.C.
 11 §§ 1331, 1332(a). A complaint filed in federal court must contain “a plausible
 12 allegation that the amount in controversy exceeds the jurisdictional threshold.” *Dart*
 13 *v. Cherokee Basin Operating Co., LLC v. Owens*, 574 U.S. 81, 89 (2014). But where
 14 a party contests, or a court questions, a party’s allegations concerning the amount in
 15 controversy, both sides submit proof, and the court decides whether the party claiming
 16 jurisdiction has proven the amount in controversy by a preponderance of the evidence.
 17 *Id.* at 88–89; *see* Fed. R. Civ. P. 12(h)(3) (“If the court determines at any time that it
 18 lacks subject-matter jurisdiction, the court must dismiss the action.”). The same
 19 procedures apply when the existence of complete diversity of the parties is called into
 20 question. *See, e.g.*, *Verb Tech. Co., Inc. v. Baker & Hostetler LLP*, Case No. 2:21-cv-
 21 06500-ODW (MAAx), 2021 WL 4125207 (C.D. Cal. Sept. 9, 2021).

22 The court has reviewed Plaintiff Matthew Katz’s (“Plaintiff”) Complaint (Dkt.
 23 1) and it is not apparent the court has subject matter jurisdiction over this action under
 24 28 U.S.C. § 1332(a). In particular, and without limitation, the court notes that the
 25 Complaint contains scant evidence of the amount in controversy.

26 Accordingly, Plaintiff is ORDERED to SHOW CAUSE, in writing only, within
 27 fourteen (14) days from the date of this Order, why this action should not be
 28 dismissed for lack of subject matter jurisdiction. Defendants David Olan, Olan Law,

1 and Kenzi Levine may, but are not required to, file a written response within fourteen
2 days. The parties are encouraged to submit evidence and/or judicially noticeable facts
3 in response to the court's Order. The parties should consider the Order to be an
4 inquiry into both the facial and factual sufficiency of Plaintiff's demonstration of
5 diversity jurisdiction. *See Leite v. Crane Co.*, 749 F.3d 1117, 1122 (9th Cir. 2014).

6 As Plaintiff is the party asserting federal jurisdiction, Plaintiff's failure to
7 respond timely and adequately to this Order shall result in the dismissal of the action
8 without prejudice, without further notice.

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10 IT IS SO ORDERED.
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12 Dated: July 18, 2023
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FERNANDO L. AENLLE-ROCHA
United States District Judge

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